



WHAT IS AT STAKE WITH THE COLORADO PUBLIC OPTION?

Key Questions for Guiding the Discussion

Download the full study: www.remipartnership.org

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A state option: a new type of insurance plan that would significantly expand the role of state government within Colorado's health care industry.

Objectives of HB19-1004

- Create a public option for health care coverage
- Leverage existing infrastructure
- May decrease costs Coloradans
- Increase Competition
- Improve Access to High-quality, affordable and efficient health care

Summary of "Final Report for Colorado's Public Option" as of Nov.15, 2019

- Requires private insurance companies to sell new health insurance product
- Immediately available in individual market and soon group market
- Public option hospital payment rates to be set by new formula rather than through hospital and carrier negotiations

*Only 5,700 previously uninsured Coloradans would enroll in the public option.
Out of roughly 370,000 currently uninsured that would amount to a 1.5%
reduction in the uninsured population.*

Potential Impacts

Uncertain • Unprecedented • Unintended

HOSPITALS

- Reduced expansion and less profitable services
- Cost shift to less-regulated payors and markets
- Diversification into less regulated ventures
- Departures or closures in rural areas

EMPLOYERS

- Cancellation of employer-sponsored insurance plans, forcing employees into lower-cost public option plans
- Employers passing on higher group costs through higher employee contribution requirements and/or reduced benefits

CARRIERS

- Departure from fully insured programs
- Departure from Colorado
- Fewer services and/or increased pricing to other services

INSUREDS/PATIENTS

- Increased premiums and/or contribution requirements
- Fewer carrier choices
- Limited networks and/or access to services
- Displacement from employer-sponsored coverage to individual market

A few Questions to Frame the Discussion:



Patients/Insured: If savings for buyers of a public option insurance come through lower revenue to both hospitals and insurance companies (with restrictions), without significant change to their costs, how will their decisions impact patient access and choice?



Hospitals: What choices will hospitals have to make if facing lower revenue and lesser/no change in costs or expectations from investors and community partners?



Insurance Carriers: How will insurance carriers respond to a mandate to sell the public option insurance product?



Other Providers in the Medical Economy: How will other medical service providers, besides hospitals, be impacted by the implementation and possible expansion of the public option?



Employers: How will employers react to a public option plan and will they be impacted by future cost-shifting?



State and Local Government: As employers, regulators, and health care providers, how will Colorado state and local governments be impacted by the public option?

Key Take Away

Focusing exclusively on reducing insurance premiums via direct government actions could come at the expense of patients, employers, insurance carriers, hospitals and others. ***Policy makers should continue to explore the potential impacts and consider policy alternatives that mitigate those effects.***

The full report includes more detailed questions relevant to the public option debate. It can be found at the link below:

WWW.REMIPARTNERSHIP.ORG